

The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON Division Director

OLENE S. WALKER Governor

GAYLE F. McKEACHNIE

Lieutenant Governor

Representatives Present During the Inspection: OGM Steve Demczak Environmental Scientist III Company Chris D. Hansen

Inspection Report

Permit Number:	C0070005
Inspection Type:	COMPLETE
Inspection Date:	Thursday, February 19, 2004
Start Date/Time:	02/19/2004 10:00:00 AM
End Date/Time:	02/19/2004 2:00:00 PM
Last Inspection:	Thursday, January 22, 2004

Inspector: Steve Demczak, Environmental Scientist III

Weather: Cloudy, Snow Covered 30 inches

InspectionID Report Number: 178

Accepted by: dhaddock 03/08/2004

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Site: **SKYLINE MINE**

Address: HC 35 BOX 380, HELPER UT 84526

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages		Mineral Ownership	Types of Operations		
7,121.00 To	otal Permitted	☐ Federal	Underground		
83.92 To	otal Disturbed	☐ State	Surface		
	Phase I	☐ County	Loadout		
	Phase II	☐ Fee	Processing		
	Phase III	Other	Reprocessing		

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

Inspector's Signature:	Dat	ate	Friday, February 20, 2004

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining



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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark			
2.	Signs and Markers	✓		✓	
3.	Topsoil	✓		✓	
4.a	Hydrologic Balance: Diversions	✓		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓			
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations	✓		✓	
5.	Explosives	✓			
6.	Disposal of Excess Spoil, Fills, Benches	✓			
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓		✓	
9.	Protection of Fish, Wildlife and Related Environmental Issues	✓			
10.	Slides and Other Damage	✓			
11.	Contemporaneous Reclamation	✓			
12.	Backfilling And Grading	✓			
13.	Revegetation	✓			
14.	Subsidence Control	✓			
15.	Cessation of Operations	✓		✓	
16.	a Roads: Construction, Maintenance, Surfacing	✓		✓	
16.	b Roads: Drainage Controls	✓		✓	
17.	Other Transportation Facilities	✓			
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check	✓			
20.	Air Quality Permit	✓			
21.	Bonding and Insurance	✓		✓	
22.	Other				

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2. Signs and Markers

Identification signs were inspected and complied with the requirements of the R645 Coal Rules.

3. Topsoil

The topsoil pile at the mine site was inspected. This pile was snow covered. There were no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

The diversions were spot-checked and water was flowing within the diversions. In the spring, re-grading of the diversions will be needed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected for the fourth quarter of 2003. This inspection occurred on December 31, 2003. No hazardous conditions were reported. This inspection will also act as the Annual Report inspection. These reports were P.E. certified.

4.d Hydrologic Balance: Water Monitoring

The permittee stated and showed me one location along Eccles Creek in which water monitoring could not be taken due to snowfall and danger of falling into the Creek. I concur that it would be an unsafe act to gather water samples from this area. It was suggested that the permittee should submit an amendment to change fourth quarter water monitoring requirements.

4.e Hydrologic Balance: Effluent Limitations

The permittee was in compliance with the UPDES Permit for the fourth quarter. This permit will expire on September 30, 2004.

Coal Mine Waste, Refuse Piles, Impoundments

This site was inaccessible due to snow cover. This site has not been used since the fall of 2003.

8. Noncoal Waste

The mine site was clear of non-coal waste material.

15. Cessation of Operations

Skyline Mine is proposed to be idle sometime in May of 2004. The plan calls for all mining to cease. Inspections and maintenance will continue during the shutdown. There is no schedule at this time to re-open the mine for coal production.

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16.a Roads: Construction, Maintenance, Surfacing

All roads are generally snow covered.

16.b Roads: Drainage Controls

Road drainage control was functioning as designed.

18. Support Facilities, Utility Installations

There are no new support facilities since the last inspection.

21. Bonding and Insurance

The insurance policy was inspected and complied with the requirements of the R645 Coal Rules. This policy will expire on July 31, 2004. The reclamation bonding for the Skyline Mine is \$5,076,000.00. This amount was determined by the Division.